

RULES & REGULATIONS

Proposed Board Rules Changes

At its meeting on September 19, 2014, the Board adopted proposed amendments to its Rules discussed at the August 15, 2014 meeting. As required by state law, the entire text of these proposed rules changes was posted with the Secretary of State's office, as well as on the Board's web site. The Rules changes cannot take effect until a minimum 25 day comment period has passed, with hearings granted to affected parties in the interim, if requested. The Rules changes are not expected to take effect until January 1, 2015.

Below is a description of each proposed change:

Current **Rule 1.2 Violations** re-numbered as **1.2.1**. (Use of term *certified*).

New **Rule 1.2.2** will be added to define the use of standard AICPA (SSARS) language or deceptively similar language on compilations of financial statements by non-licensees as a violation of the Public Accountancy Act. Safe harbor language for use by non-licensees for such reports is included.

In **Rule 2.5.1**, the requirements for *Retired Status* will be amended to delete the language *while holding out as a CPA* and to clarify the types of services the licensee should no longer be performing.

In **Rule 2.5.2**, the requirements for disability status will be amended to require a *statement* from the licensee's physician, not a *notarized affidavit*.

Rule 2.5.3, *Retirement Status or Permanent Disability* will be revised to be in agreement with new language in **Rule 2.5.1**.

Proposed changes for **Definitions** in *Part 1, Chapter 10*:

Holding out as CPA or CPA firm – will no longer refer to holding out to *industry* or *government*, only the *public*.

Resident Manager – will no longer require that the licensee's physical location be only at that office and not at any other location.

The **Schedule of Fees** will be revised to include a background screening fee. The Board has the right under current Rule 2.1.4.(b) to require applicants for licensure to submit to a Board initiated background and criminal check. It is anticipated that the background check and the corresponding fee would only apply to applicants seeking an initial CPA license, an initial reciprocal CPA license, and for reinstatement of a CPA license.

Title 30: Mississippi State Board of Public Accountancy

Part 1: Mississippi State Board of Public Accountancy Rules and Regulations

Part 1 Chapter 1: Restrictions on Use of the Title Certified Public Accountant

Rule 1.2 Violations

~~Rule 1.2.~~ Rule 1.2.1 The uses of the following designations are deemed to be violations of the act:

The term “certified” or similar terms before the words “tax consultant”, “accountant”, or similar titles likely to give the public the impression that the person is licensed by the Board.

Title 30: Mississippi State Board of Public Accountancy

Part 1: Mississippi State Board of Public Accountancy Rules and Regulations

Part 1 Chapter 1: Restrictions on Use of the Title Certified Public Accountant

Rule 1.1. Restrictions

Rule 1.2.2 The issuance by non-licensees of a report or communication to management using standard AICPA (SSARS) language for compilations of financial statements or deceptively similar language is deemed to be a violation of the act.

Safe harbor language which may be used by non-licensees for such reports is as follows:

“I (we) have prepared the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing in the form of financial statements information that is the representation of management (owners).

Mississippi Code 73-33-15 (a) prohibits a non-licensee from issuing an audit or review report; accordingly, there is no non-licensee safe harbor language for such reports.

Rule 2.5. Retirement Status or Permanent Disability

Rule 2.5.1. Retired Status: An individual who holds a current license issued by the board who is 55 years old or older and has timely filed a request for retired status on a form prescribed by the board which indicates the licensee does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements or other compilation communication, or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. ~~is no longer engaged in the practice of public accountancy or employed in industry, government or academia while holding out as a CPA as defined by these *Rules and Regulations*~~ An individual may be granted retired status only at the time of annual license renewal.

Rule 2.5. Retirement Status or Permanent Disability

Rule 2.5.2. Permanent Disability Status: Permanent disability status may be granted by the Board to a licensee with a ~~notarized affidavit~~ statement from the licensee's physician which states that the licensee is unable to perform activities regulated by this Board and clearly details the disability. Such status may only be granted at the time of annual license renewal.

Rule 2.5. Retirement Status or Permanent Disability

Rule 2.5.3. A licensee who has been granted retired status or permanent disability status and who becomes engaged in activities described in Rule 2.5.1 ~~regulated by this Board~~ must:

- (a) pay the current license and reinstatement fees established by the board;
- (b) complete the form prescribed by the Board for renewal of a license;
- (c) meet the continuing professional education requirements; and
- (d) surrender the retired or permanent disability status.

Part 1 Chapter 10: Definitions

Holding out as a CPA or CPA firm - any representation that a person holds a CPA certificate or license or that an entity holds a CPA firm permit to practice public accounting. Any such representation is presumed to invite the public, ~~industry or government~~ to rely upon the professional skills implied by the title, license or permit. A representation includes a verbal, written, or electronic communication.

Resident manager - a CPA designated by a firm to be responsible for an office location and its compliance with the act and the *Rules and Regulations* of the Board. ~~This licensee's actual physical location must be at that office and not at another location.~~

SCHEDULE OF FEES

CPA LICENSE

Annual and initial registration	\$100
Late fee	150
Processing fees:	
Mississippi initial application	100
Reciprocal initial application	100
Reinstatement of license	200
Transfer of status to/from another State Board	50
Replacement certificate of licensure	100
<u>Background screening fees</u>	<u>Cost of Background Check</u>